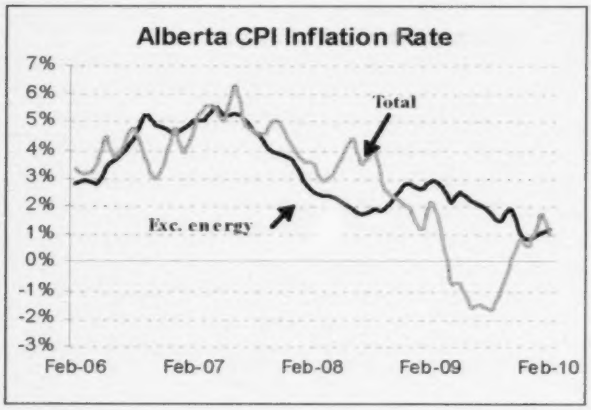
Consumer Price Index

Alberta's Inflation remains steady…

In February, Alberta's year-over-year CPI rate was 1.0%. For the fourth consecutive month gasoline prices, which were 9.0% higher than a year earlier, continued to be the major force behind the increase in prices.

Overall Canadian prices were up 1.6% year-over-year in February while the Bank of Canada's (BoC) core CPI index reached 2.1%, above the Bank's 2.0% target and well above the1.6% forecast for the first quarter of 2010. This will intensify the pressure on the BoC to increase interest rates after its conditional commitment to hold them steady expires in June.



Retail Sales

Sales continue to increase…

Retail sales in Alberta continued to experience growth in January, up 0.7% from December and 0.3% higher than the first month of 2009. With this increase, Alberta continues to have the highest level of retail sales per capita in the country. Nationwide, retail sales were 0.7% higher than December 2009. Overall sales were dragged down by a 1.5% (seasonally adjusted) decline in sales at auto dealerships. Excluding auto sales, retail sales increased 1.8% from December, the largest increase since November 2007.

New Motor Vehicle Sales

January sees modest growth in sales…

In January new motor vehicle sales increased for the third consecutive month in Alberta, growing by 0.2% to 15,884 units (seasonally adjusted). Compared to last year, sales were 4.1% lower.

Canadian Dollar (US¢/CS)	
March 19, 2010	98.47
March 12, 2010	98.16
2009-10 YTD	91.75
WTI Oil US$/bbl	
March 18, 2010	$82.20
March 11, 2010	$82.11
2009-10 YTD	$70.31
Nymex Natural Gas CS/MMBtu *	
Near-month Contract	
March 19, 2010	$4.16
March 12, 2010	$4.56

*Estimate based on Nymex Futures Market Price

Labour Productivity

Strongest growth in more than a decade…

After three years of languishing growth, Canadian labour productivity increased by 1.4% (5.5% annualized rate) in the fourth quarter of 2009. This was the first increase in labour productivity since the third quarter of 2008 and the highest quarterly growth rate since the first quarter of 1998.

Labour costs in the final quarter of 2009 were unchanged from the previous quarter and only 1.0% higher than the fourth quarter of 2008.

International C$ Securities Transactions

Foreign investment pours into Canada…

Demand for Canadian securities continued to grow in January as foreigners poured $11.8 billion into the country seeking low risk investments. The vast majority ($10 billion) of the inflow was directed to bonds and debt instruments. January was the third consecutive month with an inflow above $10 billion and pushed the 12-month rolling total of net inflows to a record $111 billion. This inflow amounts to almost 7% of Canadian GDP and also greater than the combined 2009 budget deficits of the federal government and of all the provinces.

Exchange Rate

Loonie continues to move towards parity…

The Loonie continued to edge toward parity with the US dollar on the strength of positive economic reports and foreign demand for Canadian securities.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2008	2009	2010YTD*	Sep	Oct	Nov	Dec	Jan	Feb
Real GDP (in 2002 $billions)	185.8	--	--	--	--	--	--	--	--
% change	0.0	--	--	--	--	--	--	--	--
Nominal GDP ($ billions)	291.3	--	--	--	--	--	--	--	--
% change	14.1	--	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,596	3,688	3,704	--	3,704	--	--	--	--
% change	2.4	2.6	2.3	--	2.3	--	--	--	--
Net Interprovincial Migraton[1] (level)	15,317	23,006	-2,535	--	-2,535	--	--	--	--
Net International Migration[1] (level)	20,039	20,074	7,976	--	7,976	--	--	--	--
Net Non-permanent Residents[1] (level)	18,536	19,058	2,439	--	2,439	--	--	--	--
Labour Market									
Employment (000's)	2,013	1,988	1,980	1,985	1,975	1,988	1,995	1,988	1,973
% change	2.8	-1.3	-1.3	-1.9	-3.4	-2.3	-1.0	-1.6	-1.0
Unemployment Rate (%)	3.6	6.6	6.8	6.8	7.2	7.1	6.6	6.6	6.9
Average Hourly Wage Rate	5.7	4.3	1.4	3.7	3.9	2.5	1.3	1.1	1.6
Average Weekly Earnings[2]	6.0	3.0	--	0.6	2.0	0.9	1.2	--	--
Labour Income[3]	8.7	0.5	--	-2.1	-2.2	-2.1	-1.9	--	--
Price Indices									
Consumer Price Index	3.1	-0.1	1.3	-1.1	0.1	0.8	0.6	1.7	1.0
Excluding food and energy NEW!	2.1	1.4	1.2	1.4	1.8	1.0	0.7	1.1	1.3
Non-Res. Const. Cost Index[4] (quarterly)	13.2	-9.8	--	-14.8	--	--	-11.2	--	--
Farm Product Price Index	11.2	-10.6	--	-18.8	--	--	--	--	--
Crops	26.2	-22.9	--	-20.2	--	--	--	--	--
Livestock	2.3	0.4	--	-13.2	--	--	--	--	--
Household Sector									
Housing Starts (SAAR, 000's)	29.2	20.0	25.4	24.6	29.9	30.1	27.3	23.5	27.3
% change	-39.6	-31.7	85.4	-0.4	19.6	46.1	52.5	50.6	131.4
New Housing Price Index	0.7	-9.0	-3.6	-8.9	-7.9	-7.1	-6.3	-3.6	--
Edmonton	1.0	-11.2	-6.5	-11.4	-10.1	-9.8	-9.4	-6.5	--
Calgary	0.6	-6.7	-0.6	-6.4	-5.6	-4.2	-3.1	-0.6	--
MLS Average Resale Prices	-1.5	-3.1	6.4	1.4	2.6	3.4	7.5	6.4	--
Edmonton	-2.0	-3.5	-0.7	0.7	0.4	0.0	2.6	-0.7	--
Calgary	-2.9	-4.2	5.5	1.1	2.9	4.4	8.8	5.5	--
Retail Sales NEW!	-0.1	-8.4	0.3	-8.8	-6.5	-6.8	1.4	0.3	--
New Motor Vehicle Sales NEW!	-7.3	-21.5	-4.1	-15.6	-13.3	-21.3	3.2	-4.1	--
Business Sector									
Public and Private Investment[5]	6.9	-25.9	2.7	--	--	--	--	--	--
Mining and oil and gas[5]	7.0	-42.6	7.3	--	--	--	--	--	--
Rigs Drilling	-2.1	-45.6	9.3	-54.1	-50.9	-35.6	-3.8	9.3	--
Goods Exports (customs based)	34.6	-39.2	--	-40.3	-39.6	--	--	--	--
Energy	42.5	-44.1	--	-42.3	-41.3	--	--	--	--
Agriculture	32.0	-7.4	--	-23.8	-23.8	--	--	--	--
Total Farm Cash Receipts (quarterly)	17.2	-6.7	--	-16.1	--	--	--	--	--
Manufacturing Shipments NEW!	7.0	-21.5	0.2	-29.3	-23.6	-12.1	-3.0	0.2	--
Wholesale Trade NEW!	10.9	-14.2	-9.9	-20.3	-24.1	-17.1	-11.8	-9.9	--
Building Permits	-16.5	-14.2	31.7	-5.0	76.9	8.3	57.0	31.7	--
Residential	-31.5	-11.8	156.4	44.7	53.4	50.6	57.1	156.4	--
Non-residential	3.7	-16.3	-26.5	-43.9	101.3	-19.7	56.9	-26.5	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins.

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2010 total based on initial investment intentions, 2009 preliminary actuals, and 2008 actuals; 2010 mining and oil and gas based on initial investment intentions

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Winter 2010)											
Real GDP Growth											
2009 (Estimate)	**-3.1%**	-5.5%	0.4%	-0.2%	-0.4%	-1.7%	-3.4%	-0.7%	-4.2%	**-3.7%**	-2.5%
2010	**2.8%**	2.4%	1.9%	1.9%	1.7%	2.2%	3.5%	2.0%	2.5%	**2.5%**	3.7%
2011	**3.3%**	4.2%	3.3%	2.4%	2.6%	2.2%	3.7%	2.4%	2.9%	**4.1%**	3.1%
Population (As of October 1, 2009)											
Population	**33,873,357**	510,272	141,374	940,397	750,457	7,856,881	13,119,251	1,226,196	1,034,974	**3,703,979**	4,479,934
Annual Growth Rate[a]	**1.2%**	0.5%	0.7%	0.3%	0.4%	1.0%	1.0%	1.4%	1.6%	**2.3%**	1.6%
Net Interprovincial Migration											
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
2010 Census Year (July 1, 2009 to June 30, 2010)		863	-283	320	38	-120	-1,748	-712	823	**-2,535**	3,457
Employment											
Level Change (000s)[b]	**104.6**	5.7	3.6	-4.9	0.4	41.3	33.0	5.0	3.1	**-18.8**	36.3
Percent Change[b]	**0.6%**	2.8%	5.6%	-1.1%	0.1%	1.1%	0.5%	0.8%	0.6%	**-1.0%**	1.6%
Unemployment Rate, 2010 avg (SA)	**8.3**	14.8	10.1	9.6	9.2	8.1	9.2	5.4	4.5	**6.8**	7.9
Participation Rate, 2010 avg (SA)	**67.1**	59.7	68.7	64.1	64.6	64.9	67.2	69.6	69.6	**73.2**	66.3
Average Weekly Earnings											
December 2009	**837.08**	823.36	689.98	740.64	755.50	771.78	869.55	775.40	832.56	**959.40**	810.07
Y/Y Percent Increase[c]	**3.2%**	5.6%	2.6%	2.6%	3.4%	3.1%	4.1%	1.5%	5.6%	**1.2%**	2.8%
2010 Wage Settlements (Jan)										**0.9%**	
CPI Inflation											
February Annual NEW!	**1.6%**	2.6%	2.7%	2.3%	3.2%	1.7%	1.8%	1.3%	1.0%	**1.0%**	1.2%
Excluding Shelter	**2.6%**	3.1%	3.5%	3.0%	3.9%	2.1%	3.0%	2.3%	2.0%	**2.4%**	2.5%
Housing Starts (000s)											
SAAR February 2010	**196.7**	3.6	0.4	5.4	2.4	47.8	70.2	4.9	4.6	**27.3**	30.1
Retail Sales											
Percent Change[d] NEW!	**4.2%**	8.7%	6.8%	5.8%	2.7%	6.0%	5.3%	4.1%	-0.5%	**0.3%**	3.5%
2010 YTD Retail Sales Growth	**4.2%**	8.7%	6.8%	5.8%	2.7%	6.0%	5.3%	4.1%	-0.5%	**0.3%**	3.5%
Manufacturing Shipments											
Percent Change[d] NEW!	**8.6%**	-0.3%	-20.4%	4.5%	30.0%	5.6%	14.8%	-9.4%	-0.6%	**0.2%**	2.5%

a. Over the past 12 months
b. February 2010 Y/Y change, unadjusted for seasonal effects
c. Updated to December 2009
d. January 2010 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada